



STAFF REPORT ACTION REQUIRED

TTC Radio Antenna Lease Renewals

Date:	October 16, 2017
To:	TTC Board
From:	Chief Executive Officer

Summary

The purpose of this report is to seek the Board's approval to extend the term of the leases for the antenna located in the CN Tower at 301 Front Street West, Toronto and the antenna located at 3300 Bloor Street West, Toronto (on Islington Avenue). These antennas support TTC radio communications between the Transit Control Centre and surface vehicles and emergency response agencies.

Recommendations

It is recommended that the Board:

1. Authorize staff to execute an amendment to extend the lease between Canada Lands Company CLC Limited and TTC located in the CN Tower at 301 Front Street West, Toronto for 10 years at a cost of \$762,000.00 plus HST for rent (including all additional costs), subject to change from current projections due to the escalation of additional rent. The lease will also have a provision for two additional extensions for up to 10 years each. All required documents shall be on terms and conditions satisfactory to TTC's General Counsel; and
2. Authorize staff to execute an amendment to extend the leases between IMH 3250 & 3300 Bloor Ltd. and TTC for the property at 3300 Bloor Street West, for five years at a cost of \$66,000.00 plus HST for rent (including additional rent for hydro), subject to change from current projections due to the escalation of additional rent. The lease will also have a provision for two additional extensions for up to five years each. All required documents on terms and conditions satisfactory to the TTC's General Counsel.

Implementation Points

In accordance with Corporate Policy 6.5.1 Authorization for Expenditures and Other Commitments, Paragraph 3.7.9, leasing contracts having a term greater than 10 years require Board approval.

Financial Summary

In total, TTC spends approximately \$114,000 per annum on leasing locations for antennas, of which these two leased locations account for \$82,000 (including all additional costs).

The Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Accessibility/Equity Matters

There are no accessibility or equity matters arising from this report.

Decision History

CN Tower – 301 Front Street West

On April 6, 1982 the Board approved entering into an antenna lease at 301 Front Street West for 10 years.

On February 11, 1992 the Board approved extending that lease for an additional 10 years.

3300 Bloor Street West

On April 6, 1982, the Board approved entering into an antenna lease at 3300 Bloor Street West for 10 years.

On February 11, 1992, the Board approved extending the lease for an additional 5 years with an option for a further 5 years.

The reports noted above are not available electronically, but may be made available upon request in hard copy.

Issue Background

Radio communication using antennas is provided 24 hours a day, 7 days a week for several systems. This includes TTC vehicles and the Transit Control Centre and also emergency response agencies during emergencies.

TTC has 18 antennas in total, of which five are in leased locations, one of which is presently being negotiated with the owner and will be before the Board shortly. The remaining two leases expire in 2019 and 2020, at which time it is proposed that they will be renewed. In total, the TTC pays approximately \$102,000.00 per annum for all 5 leased radio antenna locations.

CN Tower – 301 Front Street West

The TTC has had antennas and an equipment storage room located at 301 Front Street West since the early 1980s. The original lease term has been extended many times finally expiring on December 31, 2016. TTC has been in an overholding position with the landlord since that time.

A lease amendment to define a new term of 10 years and provide for two further options of up to 10 years each will ensure the continuance of this vital component of the TTC communication system.

The antennas at 301 Front Street West service the central core of the city of Toronto. It is one of 11 TTC antenna locations across the city and provides a coverage distance of approximately 40 – 50 kilometres.

3300 Bloor Street West

The TTC has had an antenna located at 3300 Bloor Street West since the early 1980s. The original lease term has been extended many times finally expiring on April 30, 2016 and TTC has been in an overholding position with the landlord since that time.

A lease amendment to define a new term of five years and provide for two further options of up to five years for each option will ensure the continuance of this vital component of the TTC communication system.

The antenna at 3300 Bloor Street West services a portion of the west end of the city. It is one of the 11 TTC antenna locations across the city and provides a coverage distance of approximately 20-25 kilometres.

Comments

In the existing overholding positions with both the antenna leases, the landlord can terminate the arrangement at any time. If the antenna leases are not amended to extend its term, TTC would operationally need to find new lease locations and install new antennas.

Summary of Terms and Conditions: CN Tower – 301 Front Street West

Term	10 years beginning January 1, 2017 and ending December 31, 2026.
Total Rent	\$45,528.59 per annum plus escalation of CPI annually.
Utilities	\$24,000 per annum plus escalation 2% annually.
Option to Extend	Two options, of up to 10 years each, at market rents. Final lease termination date is December 31, 2046, including exercising all options to extend.

Given the extraordinary height and facilities offered by the CN Tower, replacing the antennas would require installing several antennas across the city to maintain the existing coverage provided. This would be a substantial cost and could take several years to secure.

Summary of Terms and Conditions: 3300 Bloor Street West

Term:	5 years beginning May 1, 2016 and ending April 30, 2021.
Basic Rent	\$10,279.73 per annum plus escalation of 2% annually.
Hydro	\$2,236.49 per annum plus escalation of 3% annually.
Option to Extend	Two options of up to 5 years each to extend lease at market rents. Final lease termination date is April 30, 2031, including exercising all options to extend.

The replacement cost for an antenna is approximately \$300,000 and the implementation timing would be a minimum of 12 months before a new antenna would be operational.

Amending the existing antenna leases to extend the term for five years plus two additional extension terms up to five years at 3300 Bloor Street West, and for 10 years plus an additional term of up to 10 years each at the CN Tower, each at fair market rents, is the most cost effective and least disruptive way for TTC to maintain operationally necessary, continued above ground communication services.

Contact

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